

**House Joint Resolution 2**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 67(b)(3), Article XVI, Texas Constitution, is amended to read as follows:

(3) The amount contributed by a person participating in the Employees Retirement System of Texas or the Teacher Retirement System of Texas shall be established by the legislature but may not be less than six percent of current compensation nor for a person participating in the Teacher Retirement System of Texas more than nine percent of current compensation. The amount contributed by the state may not be less than six percent nor more than 10 percent of the aggregate compensation paid to individuals participating in the system. In an emergency, as determined by the governor, the legislature may appropriate such additional sums as are actuarially determined to be required to fund benefits authorized by law.

SECTION 2. Article XVI, Texas Constitution, is amended by adding Section 67-a to read as follows:

Sec. 67-a. (a) Only as authorized by this section, the legislature by general law may provide one or more cost-of-living adjustments or supplemental payments as benefit enhancements to annuitants of the Teacher Retirement System of Texas who are eligible for the enhancements, as determined by that law.

(b) The legislature may provide a benefit enhancement as described by this section and, as necessary, direct the comptroller of public accounts to transfer funds to the

SENATE VERSION (IE)

**(Unless otherwise indicated, all SECTIONS below are from FA1)**

No equivalent provision.

SECTION 1. Article XVI, Texas Constitution, is amended by adding Section 67-a to read as follows:

Sec. 67-a. (a) As the Teacher Retirement System of Texas is actuarially sound according to an actuarial valuation update performed in February 2023, the 88th Legislature, Regular Session, 2023:

(1) by general law may provide a cost-of-living adjustment to annuitants of the Teacher Retirement System of Texas who are eligible for the adjustment as determined by that general law; and

(2) may appropriate an amount of money from the general revenue fund to the comptroller of public accounts for

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Teacher Retirement System of Texas for the payment of the benefit enhancement only if:

(1) the retirement system is actuarially sound, as determined by general law; and

(2) except as provided by Subsection (c) of this section and subject to Subsection (d) of this section, the legislature appropriates money in an amount sufficient to fully pay for the benefit enhancement, as determined by the board of trustees of the retirement system.

(c) Subsection (b)(2) of this section does not apply to a continuing cost-of-living adjustment that is:

(1) authorized by general law; and

(2) payable only:

(A) if the return on the investment of the assets of the Teacher Retirement System of Texas meets or exceeds a minimum threshold prescribed by general law; and

(B) out of the return.

(d) In determining the amount that is sufficient to fully pay for the benefit enhancement under Subsection (b)(2) of this section, the board of trustees of the Teacher Retirement System of Texas shall reduce that amount by the amount by which the actuarial value of the system's assets exceeds the actuarial accrued liability of the system.

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deposit to the trust fund of the Teacher Retirement System of Texas to pay the adjustment authorized by Subdivision (1) of this subsection.

(b) For purposes of Section 22, Article VIII, of this constitution, an appropriation of state tax revenues made by the 88th Legislature, Regular Session, 2023, for the purpose described by Subsection (a)(1) of this section is treated as if it were an appropriation of revenues dedicated by this constitution.

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(c) This section expires September 1, 2025.

No equivalent provision.

SECTION 3. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, authorizing the legislature to provide cost-of-living adjustments or other benefit enhancements to eligible annuitants of the Teacher Retirement System of Texas and providing a one-time transfer of funds for contributions, actuarially determined payments, and benefit enhancements.

(b) As soon as practicable after the effective date of the amendment to which this temporary provision applies, the comptroller of public accounts shall transfer \$1.9 billion from the general revenue fund to the trust fund of the Teacher Retirement System of Texas. Money transferred to the trust fund under this temporary provision may be spent by the system only for the purposes of providing contributions, actuarially determined payments, and benefit enhancements to the system's annuitants, as provided by general law. The transfer made under this temporary provision is not an appropriation of state tax revenues for the purposes of Section 22, Article VIII, of this constitution.

(c) This temporary provision expires January 1, 2056.

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SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide cost-of-living adjustments or other benefit enhancements to eligible annuitants of the Teacher Retirement System of Texas and providing a one-time transfer of \$1.9 billion to the retirement system for benefit enhancements and for contributions and actuarially determined payments to eliminate the unfunded accrued actuarial liabilities of the retirement system."

SENATE VERSION (IE)

**(Unless otherwise indicated, all SECTIONS below are from FA1)**

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the 88th Legislature to provide a cost-of-living adjustment to certain annuitants of the Teacher Retirement System of Texas."

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